

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NORTH CAROLINA  
RALEIGH DIVISION**

In re:	)	Chapter 7
	)	Case No.: 14-02644-5-SWH
VESTIQ PHARMACEUTICALS, INC.,	)	
	)	
Debtor.	)	
	)	
	)	
	)	

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**MOTION FOR RELIEF FROM THE AUTOMATIC STAY OR IN THE  
ALTERNATIVE REQUEST FOR AN ORDER DIRECTING THE TRUSTEE TO  
RETURN MONOSOL RX, LLC'S ASSETS (MOTION II)<sup>1</sup>**

Pursuant to 11 U.S.C. §§ 362(d), 105 and Fed. R. Bankr. P. 4001, MonoSol RX, LLC ("MSRX"), by and through its counsel, Womble Carlyle Sandridge & Rice PLLC and Day Pitney LLP, hereby requests an order (i) granting relief from the automatic stay to: (a) permit MSRX to continue the New Jersey state court action commenced by MSRX against the Co-Defendants Vestiq Holdings, Inc. ("Vestiq Holdings"), Vestiq Pharmaceuticals, Inc. ("Vestiq Pharma" or the "Debtor"), and Praelia Pharmaceuticals, Inc. ("Praelia" and collectively with the Vestiq Holdings and Vestiq Pharma, "Vestiq") in the Superior Court of New Jersey, Chancery Division, Somerset County, styled *Monosol RX, LLC v. Vestiq Holdings, Inc., Vestiq Pharmaceuticals, Inc., and Praelia Pharmaceuticals, Inc.*, (Docket No. SOM-C-120170-14), seeking, among other things, a writ of replevin pursuant to *N.J.S.A.* 28:50-1 et seq. and *R.* 4:61-1

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<sup>1</sup> The Vestiq entities have filed three separate Chapter 7 proceedings in this District. The Chapter 7 Trustee has indicated his intention to promptly seek an order of administrative consolidation of these cases into the lead case of Vestiq Holdings for convenience and efficiency. MSRX has filed a Motion for Stay Relief ("Stay Relief Motion #1") in the Vestiq Holdings case, which includes Declarations and Exhibits provided in support of the relief requested therein. By virtue of this motion, the Movant seeks stay relief against Vestiq Pharma upon the same cause and terms as that provided in the Stay Relief Motion #1 it has filed against Vestiq Holdings.

of a New Drug Application # 022524 (the “NDA”) owned by MSRX (the “New Jersey State Court Action”); (b) permit MSRX to proceed in the New Jersey District Court Action - Civil Case No. 3:14-cv-02313 (the “New Jersey District Court Action”) with a hearing and further proceeding on an Order to Show Cause relating to the wrongful removal of the New Jersey State Court action (including discovery, the pursuit of counterclaims and/or setoffs); and (c) permit MSRX to seek the dismissal of, and otherwise respond to and defend a California state court action on, among other reasons, jurisdictional grounds, commenced by the Debtor against MSRX and other defendants in the Superior Court of the State of California, County of San Francisco styled *Vestiq Holdings, Inc. v. MonoSol Rx, LLC, Keith Kendall, and Does 1 through 50*, (Case No. CGC-14-537681), seeking damages for, among other things, breach of contract, breach of implied covenant of good faith and fair dealing, intentional interference with prospective economic relations, and negligent interference with prospective economic relations (the “California State Court Action”) and/or, in the alternative, (ii) directing the immediate transfer of the NDA and the related property by the Trustee to MSRX or its designee.

1. On May 7, 2014, the Debtor filed a voluntary bankruptcy petition under Chapter 7 of the United States Bankruptcy Code in the United States Bankruptcy Court of the Eastern District of North Carolina, Raleigh Division.

2. Each and every allegation and argument asserted in Stay Relief Motion #1 is hereby incorporated herein as if fully restated along with supporting Declarations and Exhibits.

WHEREFORE, for all of the above reasons, MSRX respectfully requests that this Court issue an Order:

A. Lifting the automatic stay to allow the New Jersey State Court Action, the New Jersey District Court Action and the California State Court Action to proceed to final determination as to the return of the NDA and related property to MSRX, or

B. In the alternative, requiring the immediate return of the NDA and the NDA Property to MSRX and grant MSRX possession of the NDA and the NDA Property;<sup>2</sup> and

C. Providing such other and further relief as is just and proper under the circumstances.

Dated this 12th day of May 2014.

Respectfully submitted by:

Local Counsel

/s/ Julie B. Pape  
Julie B. Pape (NC Bar No. 27674)  
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Lead Counsel

/s/ James J. Tancredi  
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*Counsel for MonoSol RX, LLC*

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<sup>2</sup> This motion has been filed without prejudice to the Movant's rights under 28 U.S.C. § 1452 and Bankruptcy Rule 9027.

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NORTH CAROLINA  
RALEIGH DIVISION**

<b>In Re:</b>	)	
	)	
<b>VESTIQ PHARMACEUTICALS, INC.,</b>	)	<b>Case No. 14-02644-5-SWH</b>
	)	
<b>Debtor.</b>	)	<b>Chapter 7</b>
	)	

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**NOTICE OF MOTION FOR RELIEF FROM THE AUTOMATIC STAY OR IN THE  
ALTERNATIVE REQUEST FOR AN ORDER DIRECTING THE TRUSTEE TO  
RETURN MONOSOL RX, LLC'S ASSETS**

Notice is hereby given of the Motion for Relief From the Automatic Stay or in the Alternative Request for an Order Directing the Trustee to Return Monosol RX, LLC's Assets (the "Motion") filed with this Court and served via email on the 12<sup>th</sup> day of May, 2014. This notice is given and served as of the date indicated below.

Your rights may be affected. You should read these papers carefully and discuss them with your attorney if you have one in this bankruptcy case. (If you do not have an attorney, you may wish to consult one).

If you do not want the Court to grant the relief sought in the Motion, or if you want the Court to consider your views on the Motion, then, within fourteen (14) days of the date of this Notice, you or your attorney must file with the Court, pursuant to Local Rules 9013-1 and 9014-1, a written response explaining your position addressed to:

US Bankruptcy Court  
Eastern District of North Carolina  
300 Fayetteville Street, 2<sup>nd</sup> Floor  
Raleigh, NC 27601-1799

If you mail your response to the Court for filing, you must mail it early enough so that the Court will receive it on or before the time and date stated above.

You must also send a copy of any response to:

Julie B. Pape, Esq.  
Womble Carlyle Sandridge & Rice, LLP  
One West Fourth Street  
Winston-Salem, NC 27101  
Email: [jpape@wcsr.com](mailto:jpape@wcsr.com)

If you or your attorney do not take these steps, the Court may decide that you do not oppose the relief sought in the Motion and may enter an order granting that relief.

This the 12<sup>th</sup> day of May, 2014.

Respectfully submitted,

/s/ Julie B. Pape

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Julie B. Pape (NC State Bar No. 27674)  
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Telefax: (336) 726-8072

*Counsel for Monosol RX, LLC*

**CERTIFICATE OF SERVICE**

I hereby certify that the foregoing NOTICE OF MOTION AND MOTION FOR RELIEF FROM THE AUTOMATIC STAY OR IN THE ALTERNATIVE REQUEST FOR AN ORDER DIRECTING THE TRUSTEE TO RETURN MONOSOL RX, LLC'S ASSETS was filed electronically in accordance with the local rules and was therefore served electronically on those entities that have properly registered for such electronic service and by United States Mail, first class for those entities not registered for electronic service (see attached Exhibit A).

Dated this 12<sup>th</sup> day of May, 2014.

/s/ Julie B. Pape

Julie B. Pape

NC State Bar No. 27674

Exhibit A

**VIA REGULAR MAIL:**

Vestiq Pharmaceuticals, Inc.  
11010 Lake Grove Blvd., Suite 100  
Box 355  
Morrisville, NC 27560

**VIA ECF FILING**

Marjorie K. Lynch, Esq.  
Bankruptcy Administrator  
P.O. Box 3758  
Wilson, NC 27895

Richard Dewitte Sparkman  
Richard D. Sparkman, P.A.  
PO Box 1687  
Angier, NC 27501-1687